

**Proposed Amendment of
10A NCAC 71 P .0301 Minimum Payment**

Date: February 26, 2015

Subject: Minimum Payment Amount

Agency: Division of Aging and Adult Services, Adult Services Section

Agency Contact: Chris Urso,
State/County Special Assistance Program Administrator;
Phone: 919-855-3461

Statutory Authority: G.S. 143 B-153; G.S. 108A-25 (a)(2)

Summary of Impact: State Impact: Minimal
Local Impact: Minimal
Substantial Economic Impact: No

I. Overview:

This rule aims to provide instructions on the minimum payment amount for persons in Group I and Group II of the State/County Special Assistance for Adults program. (See Appendix 1.) The program provides a cash supplement to help low-income individuals, who are age 65 or older or disabled, pay for room and board in residential facilities (including adult care homes, assisted living facilities, family care homes, and group homes) or for health and safety needs for those living at home. Special Assistance payments, made monthly to the beneficiary, are authorized through the NC FAST case management system by the county department of social services. Payments are comprised of 50% county funds and 50% State funds.

II. Rationale for Amendment of Rule:

This rule amendment is proposed in order to eliminate the reference to the Group I and Group II, which became obsolete by July 1998. However, the rule continues to require a minimum of a \$5 payment issuance for Group II and a minimum of \$1 for Group I. With the elimination of Group I and Group II in 1998, the minimum payment for all Special Assistance beneficiaries has been \$5. See Appendix 2 for the Special Assistance policy effective July 1, 1998.

Additionally, the proposed change would reduce the minimum payment for Special Assistance to \$1 to comply with federal regulations governing Optional State Supplement payments. Code of Federal Regulations Title 42 Section 435.232(b) states:

“Payments under the optional supplement program must be—
(1) Based on need and paid in cash on a regular basis;
(2) Equal to the difference between the individual’s countable income and the income standard used to determine eligibility for supplement.
Countable income is income remaining after deductions required under SSI or, at State option, more liberal deductions are made (see § 435.1006 for limitations on FFP in Medicaid expenditures for individuals receiving optional State supplements); [...].”

The maximum Special Assistance benefit amount the program must pay to an individual is determined by subtracting the countable monthly income¹ of the individual from the maintenance amount, which is established by the General Assembly. When an individual resides in an adult care facility, the monthly maintenance amount is defined as:

- a) the maximum “basic” rate adult care facilities may charge the individual for room and board, which the General Assembly currently set at \$1,182.00 – for Special Care/Dementia units it is \$1,515 – (the beneficiary signs a contract with the facility to pay the rate monthly), plus
- b) a personal needs allowance to cover the individual’s personal needs (clothes and other essentials). This amount is also established by the General Assembly, and the current personal needs allowance is \$46.00.

The issue with setting the minimum Special Assistance payment at \$5 is illustrated by the following example: If an individual’s monthly personal income from Social Security is \$1,225, then, based on federal regulation, he/she is eligible for a \$3 Special Assistance payment since the monthly maintenance amount is currently \$1,228 (=1,182+46). The individual must pay the facility \$1,182 due to the contracted amount maximum allowed by the General Assembly. Currently, because Special Assistance payments cannot be issued for amounts under \$5, the personal needs amount available is reduced to \$43 rather than \$46.

III. Analysis of Fiscal Impact:

There is no fiscal impact for the elimination of Groups I and II as this has been effective since 1998. No payments have been issued for any Special Assistance beneficiaries where the payments were calculated to be under \$5.

The fiscal impact of issuing payments under \$5 would be minimal to the State/County Special Assistance budget at both the State and county level. The former Eligibility Information System (EIS) tracked the payments under \$5 but did not issue a payment. A report with the number and amount of “payments” (not issued) for under \$5 is attached in Appendix 3. For state Fiscal Year 2013-14, the amounts for all “payments” (not issued) under \$5 totaled \$2,144, the State’s share of 50% of payments would have been \$1,072, with the counties being responsible for the remainder (\$1,072). Only 51 counties had cases with payment that if issued would have been under \$5. Assuming that the number of payments for each payment value stays roughly the same in the following year, the State and local governments would each incur about \$1,000 per year

¹ Countable monthly income includes wages, Social Security and Supplemental Security Income (SSI), other retirement income and Veteran’s Administration income.

in additional program costs. Because this is a minimal dollar amount for the entire fiscal year, it would have minimal impact on the State budget and even less, if any for each county.

It is important to note that the agency estimates affected individuals would see an increase in their benefits totaling more than \$2,000 per year.

No costs will be incurred to the State or counties for re-programming the system issuing payment. The NC FAST case management system is currently programmed to allow payments under \$5.00. The Special Assistance Program implemented NC FAST as the case management/eligibility system effective Dec. 14, 2014.

Appendix 1

10A NCAC 71P .0301 is proposed for amendment as follows:

10A NCAC 71P .0301 MINIMUM PAYMENT

The minimum ~~State/County Special Assistance for Adults~~ State/County Special Assistance payment for ~~Group I~~ is one dollar (\$1.00). ~~The minimum payment for Group II is five dollars (\$5.00).~~

*History Note: Authority G.S. 143B-153;
 Eff. January 1, 1983.
 Amended Eff. January 1, 2016.*

Appendix 2

North Carolina Department of Health and Human Services
Division of Social Services
Adult & Family Services Section
State/County Special Assistance For Adults Manual

SA - 3170
Change 2-98
Effective 07-01-98

BUDGETING PRINCIPLES

PART ONE - GENERAL RULES

Listed in this part are the basic rules you must follow when determining budgets for SAA, SAD, and SCD recipients.

RULE 1: Budgeting Principles for Adult Care Home Cases (SAA/SAD) and Certain Disabled Cases (SCD)

The minimum SAA/SAD/SCD payment is \$5.00. An individual may be eligible for Special Assistance as a **Zero-Pay** case if the difference between their Maintenance Amount and their Total Countable Monthly Income is **between \$.50 and \$4.49 (inclusive)**. However, they will not receive an SA check. (See DSS Administrative Letter No. Adult & Family Services 9-96 and Part Two of this chapter.)

- ◆ When determining the SA payment amount, reduce values with \$0.01 through \$0.49 to the next lower whole dollar amount.
- ◆ When determining the SA payment amount, raise values with \$0.50 through \$0.99 to the next higher whole dollar amount.
- ◆ Refer to SA-3140 for instructions on establishing **base periods** for continuing income.

Appendix 3

Table 1. State/County Special Assistance Minimum Payments Below \$5, SFY 13-14

Payment Amount	EIS Case Count - State Total for SAA and SAD	Value of Potential Total Payments
\$1.00	380	\$380.00
\$2.00	216	\$432.00
\$3.00	208	\$624.00
\$4.00	177	\$708.00
	Total Potential Payments	\$2,144.00
	State Share	\$1,072.00
	County Share	\$1,072.00